



The Health Care Power Grab

BY THE COMMITTEE ON THE BUDGET, REPUBLICAN CAUCUS

B-71 Cannon House Office Building
Washington, DC 20515

Representative Paul D. Ryan, *Ranking Republican*

Phone: (202)-226-7270

Fax: (202)-226-7174

Augustine T. Smythe, *Republican Staff Director*

PART 3 – ECONOMIC ‘STIMULUS’

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Hidden in the Majority’s fiscal “stimulus” bill are numerous health care provisions that go a long way toward nationalizing health care and coverage, leaving a lasting impact on the quality of medical care that will be available to Americans in the future. Here are some key points.

- **Increases Number of Americans Dependent on Government Health Care.** The stimulus bill will increase the number of those dependent on the Federal Government for health care by about 8.2 million, according to Congressional Budget Office [CBO] estimates. Of these, 1.2 enrolling in Medicaid under the \$90-billion expansion of the Federal Medical Assistance Percentage [FMAP] formula, and 7 million will take advantage of the measure’s expanded COBRA coverage. (COBRA is the Consolidated Omnibus Budget Reconciliation Act of 1986.)
- **Throws Money at a Flawed Program.** Nearly 10 percent of the total cost of the bill (\$90 billion) is spent on Medicaid – a program in dire need of reform. Last week, the Government Accountability Office published a report showing \$32.7 billion worth of improper Medicaid payments in a single year (2007) – *more than 10 percent of total Medicaid spending*. But instead of reforming the program, the Majority insists on increasing payments using a methodology based on the current payment formula – widely acknowledged as seriously flawed because it rewards States for driving up their health care costs.
- **Hinders Reform.** Given the deficiencies in the Medicaid Program, a “blank check” for more State Medicaid spending without accountability or reforms is a disservice to both the Federal taxpayer and the needy beneficiaries which the program is designed to serve. At a time when unfunded obligations for Medicare and Social Security exceed \$53 trillion, increasing Medicaid spending – and the Federal deficit – only hinders reforms needed to make health care more effective and efficient.
- **Misleads Either Taxpayers or Those Receiving Benefits.** What happens to the 8.2 million individuals newly dependent on the government for their health care once these “temporary” programs expire? Do they go back to being uninsured? The “stimulus” bill will create immense pressure to extend these health provisions, which will cost an additional \$515 billion, according to CBO.
- **Shifts Control of Health Care Decisions to Federal Government.** The following provisions lay the groundwork for permanent changes in the way health care is paid for and delivered:

The Health Care Power Grab is a series by the Republican staff of the House Budget Committee noting the Majority’s attempts to incrementally impose government control of health care.

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- *Health IT.* The stimulus bill spends \$20 billion on a new government-run health information technology program for health care providers, punishing those who have already adopted technology measures and refusing to acknowledge that no consensus has been reached on interoperability standards, the nucleus of any health information technology program. It also ignores the widespread lack of confidence in the security of individuals' personal medical information when managed by a Federal Government notorious for its mishandling of electronic records.
 - *Comparative Effectiveness.* The "stimulus" bill sets aside \$1.1 billion for a new "Comparative Effectiveness Research" program. The purpose of this "research" is to allow the Federal Government even more leverage in deciding which medical treatments are worth paying for and which are not. This will inevitably impose government control over physicians' medical decisions, and cause private-sector insurers to limit coverage in line with the government's choices – all of which will turn American health care into a nationalized health maintenance organization [HMO]. As demonstrated in the United Kingdom and Canada, it is a mistake to let the government dictate what is worth paying for. *The Wall Street Journal* reported this week that the median wait time to see a general practitioner in Canada is 17.3 weeks, with one man being told, at age 57, that he is too old to see the benefits of hip surgery. In the UK, a comparative effectiveness board has denied drugs for those suffering from breast cancer, Alzheimer's Disease, and multiple sclerosis.
 - *Preview of Health Care Rationing.* While it is hard to imagine that the United States would make such choices, the Democratic Appropriations Committee – the committee responsible for funding agencies that oversee this program – has already indicated this practice as the goal of comparative effectiveness research. The committee's report on the stimulus says: "Those items, procedures, and interventions . . . that are found to be less effective and in some cases, more expensive, will no longer be prescribed."

Prepared by:
Charlotte S. Ivancic
Counsel and Budget Analyst

This document was prepared by the Republican staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of individual committee members.
